

PROCEEDINGS OF THE BOARD OF ESTIMATE & TAXATION

The regular meeting of September 17, 2014 held in room 317 of City Hall.

Meeting called to order by President Wheeler at 4:00 p.m.

Present were: Becker (Carol J. Becker, Elected Member, Hodges (Betsy Hodges, Mayor of Minneapolis), Johnson (Barbara Johnson, President of the City Council, Quincy (John Quincy Chair of the Ways & Means Committee of the City Council), Tabb (Anti Tabb Representative of the Park and Recreation Board),), Wheeler (David Wheeler, Elected Member).

Absent: None.

As updated information as to the proposed maximum Tax levies for pay 2015 the secretary reviewed the following with the Board: Estimated City Property Tax data

Of the 55,442 residential homestead parcels in the data grouping , which are parcels that have had No change in classification & No permitted improvements between valuation dates for taxes payable in 2012 though taxes payable in 2015 (Jan 2, 2011 >> Jan 2, 2014) which would change the market valuations..

7,555 parcels or 13.6% of the parcels will have a CITY tax decrease of at least 7.5%

9,495 parcels or 17.1% of the parcels will have a CITY tax decrease of at least 5.0%

19,460 parcels or 36.10 of the parcels will have a CITY tax decrease of at least 2.5%

31,449 or 56.7% of the parcels will have a CITY tax decrease

9,235 parcels or 16.7% of the parcels will have a CITY tax increase between 0.0% to 2.5%

5,945 parcels or 10.7% of the parcels will have a CITY tax increase between 2.5 % to 5.0%

8,809 parcels or 15.9% of the parcels will have a CITY tax increase in excess of 5.0%

of these 8,809 parcels 8,165 or 92.7% have Taxable Market Value increases in excess of 15.0 %, in the other 644 parcels the increase Taxable Market Value is between 11.9 % and 15.0 %.

Compared to taxes paid in 2012 >> 42,525 parcels or 76.7% will pay LOWER taxes in 2015 than they did in 2012.

Consideration of setting of the maximum tax levies payable in 2015 with regards to the The Charter and Truth in Taxation compliance were before the Board. Quincy moved the resolutions with the Levy amounts consistent with the Mayor's August Budget address (see resolutions). Motion seconded by Tabb. After discussion the motions were adopted. Yeas – 5, Nays – 1, as follows; Yeas – Hodges, Johnson, Quincy, Tabb, Wheeler, – 5; Nays – Becker – 1.

TRUTH IN TAXATION RESOLUTION: By Quincy seconded by Tabb for an increase of 2.38% Total Levy Change

ACTIONS BY THE BOARD OF ESTIMATE & TAXATION OF THE CITY OF MINNEAPOLIS:

That, pursuant to truth in taxation legislation of the State of Minnesota, the Board of Estimate & Taxation does hereby fix and determine the maximum certified tax levies for property taxes payable in 2015 for various funds, from general taxation exclusive of tax-increment, value captured and fiscal disparities contribution values being assumed to be \$ 362,265,887 plus a fiscal disparities distribution dollar estimated at \$ 35,403,707 such maximum amounts and maximum net tax capacity rates being as follows:

<u>Truth in Taxation pay 2015 Levy Item</u>	<u>Total Tax Levy Levy Amount</u>	<u>*Net Tax Rate in %</u>
Minneapolis City* (excluding the Park & Recreation Board)	\$ 223,768,000	53.843
Minneapolis Park & Recreation Board	\$ 52,035,000	12.521

SPECIAL LEVY SECTION:

Chapter 595 (HRA) Levy	\$ 1,021,000	0.246
Teachers' Retirement Association	\$ 2,300,000	0.551

& a Market Value levy for the Library Referendum debt service of \$ 9,300,000.

*Estimated based on the valuations indicated herein; the final rates will be determined by the final valuations, although the maximum dollar amount will remain as shown unless the final valuations change to the extent that the maximum dollars shown would exceed the statutory limit, in which case the maximum dollar amount would be reduced to the statutory limit amount.

That pursuant to the truth in taxation legislation, the following is filed as the maximum certified property tax levies for property taxes payable in 2015:

<u>Truth in Taxation pay 2015 Levy Items</u>	<u>Total Tax Levy Levy Amount</u>	<u>Fiscal Disparities</u>	<u>Local Levy</u>	<u>*Net Tax Rate in %</u>
General Fund	\$ 154,723,000	\$19,861,160.99	\$134,861,839.01	37.228
Permanent Improvement Fund	1,000,000	128,373.84	871,626.16	0.241
Bond Redemption Fund	35,900,000	4,608,323.52	31,291,676.48	8.638
Estimate & Taxation Fund	160,000	20,534.15	139,465.85	0.039
Municipal Building Commission**	4,675,000	600,128.24	4,074,871.76	1.125
Fire Relief Association**	2,745,000	352,373.10	2,392,626.90	0.661
Police Relief Association**	6,415,000	823,454.82	5,591,545.18	1.544
<u>Minneapolis Employee Retirement Fund**</u>	<u>18,150,000</u>	<u>2,329,847.15</u>	<u>15,820,152.85</u>	<u>4.367</u>
TOTAL CITY & OTHER	223,768,000	28,724,195.81	195,043,804.19	53.843
Tree Preservation & Reforestation Fund	1,475,000	189,339.03	874,231.27	0.355
Park & Recreation Fund	50,560,000	6,490,172.16	44,069,827.84	12.166
PARK & RECREATION BOARD	\$ 52,035,000	6,679,511.19	45,355,488.81	12.521
	\$ 275,803,000	\$36,403,707.00	\$240,399,293.00	66.364

AND a market value levy for the Library Referendum debt service of \$ 9,300,000.

<u>Truth in Taxation pay 2015 Special Levy Items</u>	<u>Total Tax Levy Levy Amount</u>	<u>Fiscal Disparities</u>	<u>Local Levy</u>	<u>*Net Tax Rate in %</u>
Chapter 595 (HRA) Levy	\$ 1,021,000	\$ 132,561	\$ 888,439	0.246
Teachers' Retirement Association	\$ 2,300,000	\$ 304,868	\$ 1,995,114	0.551

** These funds are not subject under the City Charter to the Board of Estimate & Taxation's jurisdiction with regards to Charter regulated maximum tax levies.

CHARTER COMPLIANCE RESOLUTION: By Quincy seconded by Tabb
ACTIONS BY THE BOARD OF ESTIMATE & TAXATION OF THE CITY OF MINNEAPOLIS:

That, pursuant to Section 2, Chapter XV of the Charter of the City of Minneapolis, the Board of Estimate & Taxation does hereby fix and determine the maximum rates and maximum amounts of money which may be raised by general taxation and may be levied by the City Council, the Public Housing Authority, and the Board of Estimate & Taxation of the City of Minneapolis for the fiscal year 2015 for various funds, the net tax capacity of the property subject to general taxation exclusive of tax-increment, value captured and fiscal disparities contribution values being assumed to be \$ 362,265,881 plus a fiscal disparities distribution dollar estimated at \$ 35,403,707 such maximum amounts and maximum net tax capacity rates being as follows:

<u>TO BE LEVIED BY:</u>	<u>Total Tax Levy or Levy Amount</u>	<u>*Net Tax Capacity Rate in %</u>
<u>BY THE CITY COUNCIL:</u>		
General Fund	\$ 154,723,000	37.228
Chapter 595 (HRA) Levy	\$ 1,021,000	0.246
Permanent Improvement Fund	\$ 1,000,000	0.241
<u>BY THE BOARD OF ESTIMATE & TAXATION</u>		
Estimate & Taxation Fund	\$ 160,000	0.039

*Estimated based on the valuations indicated herein; the final rates will be determined by the final valuations, although the maximum dollar amount will remain as shown unless the final valuations change to the extent that the maximum dollars shown would exceed the statutory limit, in which case the maximum dollar amount would be reduced to the statutory limit amount.

That the aggregate of levies certified to the Hennepin County Director of Property Taxation for 2015 for bond redemption and interest is reduced by the application of cash on hand and appropriated by the City Council and the Park and Recreation Board to the following total amount and rate:

Bond Redemption Fund	\$ 35,900,000	8.638
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& a market value levy for the Library Referendum debt service of \$ 9,300,000.

That the maximum net tax capacity rates listed above have been calculated on the basis of an assumed net tax capacity of \$ 412,083,823 (\$444,812,377 less increment financing of \$ 28,904,146, value captured of \$ 1,900,571, fiscal disparities contribution of \$ 51,741,779, plus a fiscal disparities distribution of \$ 49,817,942) and shall be adjusted as necessary to reflect the net tax capacity of taxable property for the City for 2014 as finally certified by the legally designated Hennepin County Director of Property Taxation;

That in the event the maximum tax levy or tax capacity rate stipulated above for any fund is determined to be in excess of the maximum legal tax levy or tax capacity rate for such fund, the maximum legal tax levy or tax capacity rate shall be construed to be the maximum tax levy or tax capacity rate for such fund for the purpose of this resolution;

That in consequence of the passage of various laws, the Board assumes no jurisdiction as to the amounts or rates to be levied for the following funds: Fire Relief Association, Police Relief Association, Municipal Building Commission, and Minneapolis Employees Retirement Association as their levies relate to the City Charter.

That a copy of this action be certified to the County Director of Property Taxation and The City Council of the City of Minneapolis.

No additional direction to staff was given at this time.

Tabb moved to adjourn; seconded by Becker...
The meeting was adjourned at 4:22 p.m.